domestic industries are likely to be affected after the Free Trade Agreement with various countries; and

(b) the steps being taken by Government for preventing adverse-effects thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The coverage of goods and tariff liberalisation programme under Free Trade Agreements (FTAs) are finalized after due consultation with the domestic stakeholders, including the domestic industry to minimize the negative impact on small scale and domestic industry.

Proposal of G-8 countries to erect non-tariff barriers

989. SHRI ANAND SHARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware of the proposed move of the G-8 countries to erect non-tariff barriers on the pretext of arresting climate changes; and

(b) if so, the response of India to the proposed non-tariff barriers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The G-8 in its summit during July, 2005 in Gleneagles, Scotland did not propose or decide on erection of non-tariff barriers on the pretext of arresting climatic changes. India was one of the outreach countries that joined in the discussions with G-8 on climate change. In the summit India proposed a new paradigm for international co-operation for action on climate change based on partnership between developed and developing countries. On the issue of deployment of costly cleaner energy sources, which are not non-tariff barriers *per se*, India believes that it has significant economic implications in the context of developing countries like us.

Exemption of military canteens from VAT

990. SHRI N.K. PREMACHANDRAN: Will the Minister of DEFENCE be pleased to state:

(a) whether Government allowed to exempt military canteens from the